

OPPENHEIMER WOLFF DONNELLY & BAYH LLP

1350 Eye Street N.W.  
Suite 200  
Washington, D.C. 20005-3324

(202) 312-8000  
FAX (202) 312-8100

July 7, 1999

**VIA HAND DELIVERY**

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
1925 K Street N.W.  
Washington, D.C. 20423

ATTN: Recordations Office - Ms. Taledia Stokes (Room 704)

Dear Secretary Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. section 11301 is one original and one certified true copy, executed and acknowledged under Georgia law, of a Security Agreement dated June 23, 1999. The enclosed document is a primary document as defined in the Board's Rules for Recordation of Documents under 49 C.F.R. section 1177.1(a).

The names and addresses of the parties executing the above-referenced document are:

Lender: PrinVest Financial Corporation  
3 Princess Road  
Lawrenceville, New Jersey 08648

Borrower: Xavier Chemical Company  
2470 Windy Hill Road  
Suite 300  
Marietta, Georgia 30067

A description of the railcars covered by the Security Agreement is attached thereto as Schedule 1.

Enclosed is a check in the amount of \$26 payable to the order of the Surface Transportation Board for the recordation of this document.

Firm/Affiliate Offices  
Amsterdam\*  
Brussels\*  
Chicago†  
Geneva\*  
Los Angeles\*  
Minneapolis\*  
New York\*  
Orange County\*  
Paris\*  
Saint Paul\*  
Silicon Valley\*  
Washington, D.C.

RECORDATION NO. **22234** FILED

JUL 7 '99 12-30PM

OPPENHEIMER WOLFF DONNELLY & BAYH LLP

Mr. Vernon A. Williams

July 7, 1999

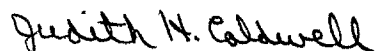
Page 2

A short summary of the document to appear in the index follows:

Security Agreement between PrinVest Financial Corporation and Xavier Chemical Company dated June 23, 1999, covering the railroad equipment identified in the Security Agreement and Schedule 1 attached thereto.

Kindly stamp the extra copy of the enclosed Security Agreement and return it to the carrier of this letter.

Very truly yours,



Judith H. Caldwell

STB Practitioner

Oppenheimer Wolff Donnelly & Bayh LLP

Enclosures

PRINVEST CORP.

RECORDATION NO.

FILED

SECURITY AGREEMENT


JUL 7 '99

12-30PM

**THIS SECURITY AGREEMENT** (the "Security Agreement") is made as of this 23 th day of June, 1999, between PrinVest Financial Corp., a New Jersey corporation, whose principal business address is 3 Princess Road, Lawrenceville, NJ 08648 ("Lender") and Xavier Chemical Company, a Georgia corporation, whose principal business address is 2470 Windy Hill Road, Suite 300, Marietta, Georgia 30067 ("Borrower").

The parties hereto, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, and intending to be legally bound hereby, agree as follows:

1. To secure the Liabilities (as such term is hereinafter defined) and in consideration for that certain loan to be made pursuant to that certain June 23, 1999 Promissory Note (the "Note") to be given to the Lender by the Borrower, the Borrower hereby grants Lender a security interest in the following collateral (collectively, the "Collateral"): all present and future accounts, accounts receivable, instruments, documents, contract rights, chattel paper, inventory in all stages of manufacture, equipment, the Railcars (as such term is hereinafter defined), fixtures, goods, money, deposit accounts, insurance policies, reserves, reserve accounts, all intellectual property, general intangibles, and all proceeds of any of the foregoing presently existing or hereafter arising, either now owned or hereafter acquired by Borrower, and the interest of Borrower in any goods, products, and proceeds of any of the foregoing, and all books and records pertaining to any of the foregoing Collateral and Borrower agrees to cooperate fully with Lender with respect to filing appropriate financing statements, documents and/or agreements to perfect, protect, and evidence the same in both the United States and any international jurisdictions. The term "Railcars" refers to those certain Railcars described in Exhibit "1" attached hereto and incorporated by reference and all components, parts, additions, attachments, replacements, substitutions now existing or hereinafter arising.
2. As a material inducement to Lender to enter into this Security Agreement, the Borrower warrants and represents that:
  - a) The Borrower is the sole and absolute owner of the Collateral, has full legal right to encumber the Collateral and to assign all of its rights under that certain June 23, 1999 Railcar Lease Agreement (the "Lease") between the Borrower and Salmon Resources, Ltd. ("Salmon") and has not made any prior assignment of the Lease.
  - b) Neither the Lease nor any of the other Collateral are subject to any lien, encumbrance or security interest, other than in favor of Lender.
  - c) The Borrower will assign its right, title and interest in and to the Lease in favor of Lender, in form and substance acceptable to the Lender.
  - d) The information in the Application submitted by Borrower to Lender was true and correct when given, and all other representations made, either before or after the signing of this Agreement, whether written or oral in nature, with respect to Borrower's financial condition, the Lease and the other Collateral, provide and will continue to provide an accurate depiction of Borrower's financial condition, the Lease, and the other Collateral and were not, are not and will not be erroneous or misleading when given. In addition, as of the date of execution of this Agreement, there have been no material, undisclosed adverse changes with respect to such financial condition of Borrower, the Lease or any of the other Collateral.
  - e) The security interest granted herein secures Borrower's performance and payment of all of its obligations to Lender whether now existing or hereinafter incurred, however such obligations may be evidenced, including without limitation, all principal, interest, the Origination Fee, fees, Conversion Charges, attorney's fees, costs, and/or out-of-pocket expenses whether now due or becoming due to Lender, including, but not limited to any obligations of Borrower to Lender under the Note (collectively, the "Liabilities").
  - f) Other than assignment of the Lease, any documents needed to perfect Lender's security interest in the Railcars in all jurisdictions and the execution and filing of a UCC-1 Financing Statement in the State of Georgia, no consent, approval, filing or registration is necessary for the valid execution, delivery or performance by Borrower of this Agreement or with respect to any of the Liabilities.

- g) Borrower's chief executive office and place where Borrower keeps its books and records relating to the Collateral is 2470 Windy Hill Road, Suite 300, Marietta, Georgia 30067 and Borrower's state of incorporation is Georgia.
  - h) Borrower maintains inventory in the following states (enter "None" if not applicable): Georgia.
  - i) Borrower maintains equipment (other than the Collateral subject to the Lease) in the following states (enter "None" if not applicable): Georgia.
  - j) Borrower maintains deposit accounts in the following states: Georgia.
  - k) Borrower is in compliance with all applicable statutes, regulations, ordinances, court decrees, or other directives of the United States of America, and all states, counties, municipalities, and agencies with respect to the manufacture and sales of its goods, the rendition of its services and/or its conduct of business and, without limiting the foregoing, Borrower has filed all federal, state, and local tax returns and other reports it is required to file and has paid or made adequate provisions for payment of all such taxes, assessments and other government charges; except as otherwise may have been disclosed in writing to and acknowledged by the Lender on or before the date first set forth above.
-  3. In consideration of Lender's loan of monies to Borrower as memorialized in the Note, Borrower shall pay to Lender an origination fee in the amount of \$908,500 (the "Origination Fee"). The Origination Fee shall be due and payable on the Maturity Date (as that term is defined in the Note).
- June 24, 1999
- 4. Lender shall be entitled to apply any payments or proceeds received by it, in such manner and order as Lender may, at its sole discretion, determine.
  - 5. Senior Officers and/or shareholders of Borrower will not increase benefits to themselves or one another, nor will they repay existing loans to any officers, stockholders, employees or affiliated companies of the Borrower during such time as the Note remains outstanding. This includes, but is not limited to, the obligations of Borrower to Theodore Kowalski, Jr. The Borrower will not make any new loans to any officers, stockholders, employees or affiliated companies of Borrower during such time as the Note remains outstanding.
  - 6. In the event Lender determines that there are reasonable grounds to believe Borrower has experienced material financial or other changes, Lender reserves the right to undertake an on-site audit of Borrower's financial and related records at Borrower's expense. The Borrower will be responsible for all audit costs including ancillary out-of-pocket expenses as they are incurred. Costs for auditors will be billed at \$750 per day per on-site auditor plus related out-of-pocket expenses, and will include at least one post-on-site day for completion of written reports. Such reports will remain the exclusive property of the Lender.
  - 7. Bank wire and lock box fees, UCC search and filing fees, messenger costs, postal and/or overnight mail, third-party payment fees and other costs incurred by Lender (including, but not limited to, reasonable attorney's fees, costs and insurance bonding premiums) will be charged to Borrower as they are incurred.
  - 8. In the event Lender receives any payments from or on behalf of the Borrower which are subsequently returned to the Borrower's bank for insufficient funds or any other reason which was not caused by a mistake on the part of the Lender, Borrower shall be assessed by Lender, a return check charge of the greater of \$50, or the maximum allowed under the law.
  - 9. Borrower agrees that after termination of its financing relationship with the Lender, all Lease payments will be held a sufficient time (but not to exceed 90 days), at Lender's sole discretion, to reasonably assure full collectability of any unpaid Liabilities.
  - 10. The Lender reserves the right to charge the Borrower for time and materials should the Borrower request the Lender to provide detailed reconciliations and/or copies of materials previously provided.
  - 11. The terms and conditions contained herein are subject to change with a 30-day advance written notice by the Lender.
  - 12. If for any reason any payments under the Lease should be paid to Borrower, Borrower shall promptly notify Lender of such payment, shall hold any check, draft, or monies ("Payments") so received for the benefit of Lender and shall pay over such Payments to Lender on the same business day. Borrower acknowledges that

any failure to pay over such Payments immediately to Lender shall be an Event of Default hereunder and may constitute misappropriation of funds and may subject the Borrower to criminal liability. The forgoing notwithstanding, Borrower and Lender agree that any failure of the Borrower to remit Payments to the Lender within five (5) business days after receipt by Borrower will result in the Lender assessing, at its sole option, a conversion charge equal to five percent (5%) of the amount of face value of such Payments (the "Conversion Charge"). Demand or collection of such Conversion Charges shall not constitute a waiver by the Lender of rights it may have to declare an Event of Default and exercise remedies as a result of Borrower's failure to immediately pay such Payments to the Lender. Exercise of these rights by Lender shall in no way limit or restrict any other rights accruing to Lender hereunder or at law.

13. Borrower shall, within one (1) business day, advise Lender, in writing if:
  - a) The Borrower's place of business and record keeping is changed or a new place is added or Borrower changes its state of incorporation;
  - b) The Borrower adds to or changes any locations in which any inventory, equipment, deposit accounts or other Collateral are maintained;
  - c) There occurs any circumstance or situation which may impact full payment of the Liabilities;
  - d) There are any changes, modifications, amendments or a termination of the Lease;
  - e) There are any changes in the senior management of the Borrower;
  - f) There is any change of greater than five percent (5%) in the stock ownership of the Borrower within any thirty day period.
  - g) There is, or is threatened, any attachment or other legal process levied against Borrower including without limitation, (i) any assessment made concerning any tax liability, (ii) if any taxing authority provides any notice of an intent to place a levy or lien, or (iii) if any tax lien or levy is actually recorded;
  - h) There are any previously undisclosed adverse changes with respect to Borrower's financial condition, the Lease or any other Collateral;
  - i) Borrower dissolves, merges or consolidates with or into any corporation or otherwise changes its identity, including without limitation the use of a new trade name, or corporate or business structure; and/or
  - j) Borrower changes its corporate name or uses any trade name not previously disclosed in writing to the Lender.
14. The Borrower shall keep the Collateral free and clear of all liens and shall pay any and all fees, assessments, charges and taxes allocable to the Collateral or which might result in a lien against the Collateral if left unpaid by the Borrower.
15. The Lender shall have the right, at reasonable hours to inspect the Collateral, wherever the Collateral may be located.
16. The Borrower agrees to keep the Collateral insured at the Borrower's expense against risks of loss or damage from any cause whatsoever. Such insurance shall not be less than the then-current fair market value of the Collateral. The insurance shall be in such additional amount as is reasonable to cover public liability and property damage arising from the Collateral or Borrower's use of it. Lender shall be named as the loss payee and an additional insured. Borrower shall insure that Lender is the Certificate Holder with respect to the insurance. Within 5 days of execution of this Security Agreement, Borrower shall provide Lender with a Certificate Of Property Insurance in favor of Lender. Each policy shall provide that the insurance cannot be canceled without thirty days prior written notice to Lender. Upon request by Lender, Borrower agrees to furnish proof of each insurance policy including a certificate of insurance and a copy of the policy. The proceeds of such insurance shall be applied at Lender's sole election toward the replacement or repair of the Collateral or payment towards the Liabilities. Borrower appoints Lender as attorney-in-fact to make any claim for, receive payment of, or execute or endorse all documents, checks or drafts for loss or damage or return of premium under such insurance.
17. Upon payment in full of the Liabilities and, at Borrower's written request, and subject to the Borrower's execution of a Release of Lender in form and substance satisfactory to Lender, Lender agrees to release its security interest in the Collateral. Borrower shall be responsible for preparing and filing any termination statements and/or other documents reasonably required in connection therewith.

18. LENDER WILL NOT BE HELD RESPONSIBLE FOR FUNDS WHICH ARE NOT PROPERLY ADDRESSED TO THE APPROPRIATE LOCK BOX OR LOCKBOX ACCOUNT. Credit for such misdirected funds will be given only when such funds are credited to Lender's account. Should funds received by Lender not be adequately marked so as to enable Lender to identify the proper Borrower, Lender will credit the Borrower as soon as these funds are properly identified, to reflect the date said funds were credited to Lender's account. All Lease payments must be sent directly to the appropriate Lockbox.
19. If any of the following events ("Events of Default") shall occur and be continuing:
- a) Any Liability is not paid in a timely manner by or on behalf of the Borrower;
  - b) The filing of any petition by or against the Borrower or any guarantor or surety for any Liability (each an "Obligor"), or the commencement of any proceedings for the relief or readjustment of the indebtedness of any Obligor, either through reorganization, composition, extension or otherwise, under any law relating to bankruptcy, insolvency, reorganization or relief of debtors;
  - c) The general nonpayment by any Obligor of its debts as such debts become due, or the admission in writing by an Obligor of its inability to pay its debts generally, the making by an Obligor of a general assignment for the benefit of creditors or the taking advantage by any Obligor of any insolvency law;
  - d) Any seizure, vesting or intervention by or under authority of a government, by which the management of an Obligor is displaced or its authority in the conduct of its business is curtailed;
  - e) The appointment of a receiver or conservator for any property of an Obligor;
  - f) The assertion of any defense, recoupment, setoff, counterclaim or reduction in the projected payment from the Lease;
  - g) If the Borrower fails to perform any of its covenants and/or reporting obligations to the Lender under this Security Agreement when and as required herein, time being of the essence;
  - h) If there occurs any Event of Default under any other agreement between Borrower and Lender or under any other document executed in connection with any of the Liabilities;
  - i) If Borrower fails to comply in a timely manner with any federal, state or local tax or other reporting requirements (including without limitation, requirements relating to the filing of payroll tax returns), or fails to make timely payment of any tax or municipal obligations, or if any federal, state or local government asserts or files any tax or other statutory lien or levy on, or claim of set-off against, any assets of the Borrower, or otherwise claims or asserts in writing that the Borrower has failed to comply with its tax or other payment obligations or otherwise states in writing its intention to file any lien against any of the Borrower's assets for failure to pay any or all required tax or other obligations.
  - j) If any representation or warranty contained herein or any information, report, financial statement, exhibit, certificate or schedule furnished by or on behalf of the Borrower or any Obligor to Lender, whether provided prior to, simultaneous with or after the execution of this Security Agreement, contains any material misstatement of fact or omitted or omits to state any material fact necessary to make the statements herein or therein not misleading or if the Borrower takes any action, whether intentional or unintentional, which has the effect of diverting from the Lender, any payments under the Lease.
  - k) Any Event of Default under any amendments to this Security Agreement.

Upon the occurrence of an Event of Default hereunder, a surcharge of 14% per annum (the "Surcharge"), payable on the Principal Amount<sup>1</sup> of the Note shall immediately be charged without notice and thereafter shall be payable until and inclusive of the date the Event of Default has been cured, or in the event that the obligations under the Note have been accelerated, until all Liabilities have been paid in full, including the period following entry of any judgment (as opposed to the statutory rate of interest) on or relating to any of the Liabilities. The Surcharge on any such judgment shall accrue and be payable, after judgment, any execution thereon, and until actual receipt by the Lender in full of all Liabilities and said judgment. The Surcharge shall be collectible as part of any judgment hereunder and shall be secured by the Collateral.

At the time of an Event of Default or at any time after the happening of any such Event of Default, the Lender may seek any and all remedies available for the enforcement of this Security Agreement at law or in equity, and without limitation, the Lender may also, in its sole discretion, but shall not be obligated to, (a) declare all

<sup>1</sup> As that term is defined in the Note.

Liabilities payable by the Borrower to be forthwith due and payable and/or (b) exercise any or all of its rights to collect on the Collateral. At the time of an Event of Default or any time thereafter, Lender shall have the unfettered right to immediate possession of all of the Collateral, and the right to enter any premises where any Collateral may be located for the purpose of taking possession or removing the same. Lender shall have the right to retain the Collateral, become the owner thereof and to obtain a judgment against all Obligor for any deficiency. If it becomes necessary for Lender to utilize collection efforts or engage an attorney to enforce its rights against Borrower, Borrower agrees to pay all expenses in connection therewith, including reasonable attorney's fees and costs.

20. In addition to other reporting requirements as detailed herein or in any Amendment hereto, Borrower will provide the Lender with copies of its: (a) annual audited financial statements, if available, and any in-house prepared annual financial statements within seventy-five (75) days of the end of Borrower's fiscal year, (b) monthly financial statements, including accounts receivable and accounts payable aging reports within thirty (30) days after the end of each calendar month and (c) IRS 940 and 941 within thirty-one (31) days after the end of each calendar quarter. Further, upon any request by the Lender, within five (5) business days, Borrower shall provide the Lender with a detailed list of all Collateral.
21. In the event it should become necessary for the Lender to enforce its rights against Salmon under the Lease, Borrower agrees to reimburse the Lender for any reasonable attorney's fees and costs incurred by Lender. In such event, Borrower will fully cooperate with Lender in connection with such collection effort, and will provide witnesses and documents, at Borrower's sole cost and expense, as may be required in connection with such efforts.
22. Borrower hereby grants a limited power of attorney to Lender to execute and file financing statements pursuant to the Uniform Commercial Code in Borrower's name, to execute and file any documents or instruments to protect or perfect Lender's interest in (a) any Collateral located in the United States (b) any Collateral located in any international jurisdictions (collectively, the "International Documents") and/or (c) any Collateral consisting of intellectual property, to sign and file with the Internal Revenue Service IRS Form 8821 on behalf of the Borrower; and to endorse Borrower's name, and to negotiate or to deposit, any and all checks, notes, drafts, or other orders for payment of money payable or endorsed to Borrower which come into Lender's possession hereunder or to record this Security Agreement as a Financing Statement.
23. The Lender may authorize transfers of the proceeds of the loan memorialized in the Note either directly to the Borrower or to designated third parties upon the mutual written agreement of the Lender and the Borrower.
24. The Borrower affirms that its hardware and software are designed, or will be modified prior to December 31, 1999, to be used prior to, during and after the calendar year 2000 A.D. and such hardware and software will operate during such time period without error, including errors relating to date data, century recognition, leap year calculations, calculations which accommodate same century and multi century formulas and date values, and date data interface values that reflect the century. The Borrower also agrees to hold the Lender harmless for any transfers of funds occasioned by the inability of any banks, other financial institutions and/or the federal reserve system to properly accommodate dates after December 31, 1999.
25. Borrower acknowledges that any reports, audits, credit checks or similar investigations which have been or will be performed by or for Lender's own purposes are not for the benefit of Borrower, and Borrower agrees that it has no right to rely thereon. Borrower further agrees that any lockbox or other procedure established by Lender to collect payments under the Lease is intended for Lender's benefit and not for the benefit of Borrower, and Lender shall have no duty or obligation to Borrower for any loss or damage to Borrower as a result thereof except for Lender's willful misconduct.
26. Lender and Borrower acknowledge that this Security Agreement shall not create any (a) agency, (b) partnership or (c) joint venture relationship between Lender and Borrower.
27. Amendments to this Security Agreement shall be made in writing and must be signed by both parties, and shall be subject to all the terms and conditions described herein, except where specifically noted under the terms of said amendment(s).

28. Borrower hereby submits to jurisdiction in the States of New York and California for the enforcement of this Security Agreement or any claim(s) hereunder, and hereby waives any and all rights under the laws of any other jurisdiction to object to such jurisdiction. Any claim by Borrower against Lender shall be brought in the Supreme Court for the State of New York or the Superior Court of the State of California only. THE PARTIES HEREBY WAIVE ANY AND ALL RIGHTS TO A TRIAL BY JURY in any action, suit, counterclaim or cross claim arising in connection with, out of or otherwise relating to this Security Agreement, the Note, any other loan documents, the Liabilities, the Collateral, the Lease, or in any transaction arising thereafter and/or related thereto. This Security Agreement shall be governed by and construed in accordance with the laws of the State of California.
29. Borrower agrees to indemnify and hold the Lender, its officers, directors, employees, principals, shareholders, agents, attorneys, and representatives harmless from and against any loss, liability, expense, damage or injury suffered or sustained resulting from third-party claims and arising from (a) acts or omissions of the Borrower, or (b) acts or omissions of any agent, assignee, broker or delegee of the Borrower. Borrower's obligations to provide such indemnification shall survive the term of this Security Agreement and shall continue in full force and effect for a period of sixty (60) months from the date of such termination.
30. Whenever, by the terms of this Security Agreement, notice shall be given, such notice shall be in writing and sent by facsimile transmission (provided evidence of transmission is maintained), or national overnight or courier delivery service, addressed to the respective addresses of the parties set forth on the first page of this Security Agreement, or at such other telephone numbers or addresses as have, from time to time, been designated by like notice.

Borrower	Fax No. 770-618-3030
Lender	Fax No. 609-844-0449

31. The provisions of this Security Agreement are severable. Should any provisions herein be found to be invalid or unenforceable by a court of competent jurisdiction, the other provisions shall remain in full force and effect as though the invalid or unenforceable provision were never a part hereof.
32. No waiver of or failure to enforce any provisions of this Security Agreement shall be deemed, or shall constitute, a waiver of any other provision of this Security Agreement, nor shall such waiver or failure to enforce constitute a continuing waiver of any provision of this Security Agreement.
33. The parties hereby represent that each has caused, and will cause, the proper corporate or individual actions to be taken by each respectively, to effectuate the rights and obligations granted under this Security Agreement.
34. In connection with any disagreement or litigation arising out of, or in connection with this Security Agreement, Borrower agrees to reimburse Lender for all of its expenses in connection therewith, including reasonable attorney's fees and costs, at the trial and appellate levels, unless Borrower prevails in a final judgment which is unappealable or unappealed.
35. The Borrower promises to pay and agrees that the Lender may deduct from monies otherwise due to Borrower, all costs and out-of-pocket expenses of (a) negotiating and preparing this Security Agreement, the Note, the agreement relating to the Lease, any agreements between Borrower and Lender and any documents referring or relating to any of the foregoing, (b) obtaining performance under this Security Agreement, (c) obtaining performance and/or collection under the Note or under the Lease, (d) in any restructuring of the Liabilities, (e) or in any bankruptcy proceeding, including reasonable attorney's fees and expenses of counsel, whether incurred by the Lender or by any agent, or other party acting on behalf of the Lender.
36. All the terms and provisions of this Security Agreement shall be binding upon, inure to the benefit of and shall be enforceable by the successors in interest of the respective parties hereto. Nothing contained herein, expressed or implied is intended nor shall it be construed to confer to or give to any person, firm, or corporation other than the parties hereto any rights or remedies under or by reason of this Security Agreement.

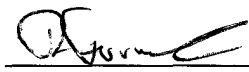


37. Lender shall have the right to assign or sell all or any portion of the Liabilities, all without Borrower's consent. Borrower acknowledges and agrees that Lender may assign or sell participation interests in all or any portion of the Liabilities and any assignee or purchaser shall have a beneficial interest in the Collateral. Borrower agrees that in no event shall it have or acquire any rights or claims with respect to or against any such persons. Borrower shall only make Note payments to the actual holder of the Note.
38. The Lender may assign (a) its rights and obligations under this Security Agreement or (b) the Security Agreement in its entirety, all without the Borrower's consent.
39. Reference to the masculine shall include the feminine and neuter, and vice versa. Reference to the singular shall include the plural, and vice versa.
40. This Security Agreement sets forth the entire agreement and understanding between the parties as to the subject matter hereof, and merges and amends, supersedes and replaces and all prior (a) discussions, (b) drafts, (c) other agreements and (d) understandings of every and any nature between them concerning the subject matter hereof. No party shall be bound by any condition, definition, warranty, or representation, regarding the terms of this Security Agreement other than as expressly set forth or provided for in this Security Agreement, or as may be, on or subsequent to the date hereof, set forth in writing and signed by the parties hereto.
41. This Security Agreement may be executed in any number of counterparts, each of which shall be an original but all of which shall constitute the entire instrument. Signature pages may be exchanged by facsimile to expedite the closing, with original signatures to be exchanged as soon as possible thereafter. In any event, Borrower must provide a copy of this Security Agreement with original signatures to the Lender within three (3) business days.
42. By executing this Security Agreement, the parties acknowledge that they have been fully advised by independent counsel as to the ramifications of the terms and provisions of this Security Agreement, and the signatories have authority to act on behalf of the respective entities in executing this Security Agreement, for the purposes herein contained.
43. The execution and delivery of this Security Agreement, and the performance by Borrower of its obligations hereunder, do not conflict with any provision of law applicable to Borrower or of any agreement binding on it.
44. This Security Agreement is only valid when received at the Lender's New Jersey office and executed by an officer of the Lender.
45. Borrower expressly waives any and all claims for usury. This Security Agreement is expressly limited so that in no event whatsoever, shall the amounts paid or agreed to be paid to the Lender, exceed the maximum interest rate permissible under applicable law. If, from any circumstances whatsoever, the maximum interest rate limit validly prescribed by applicable law is transcended, then, ipso facto the obligation to be fulfilled shall be reduced to the maximum interest rate prescribed by applicable law. If from any circumstance, the Lender shall ever receive interest, or anything that might be deemed interest under applicable law that would exceed the highest lawful rate, such amount that would be excessive interest shall be applied to the reduction of the non-interest portions of the obligations under (i) this Security Agreement, (ii) under any other agreement between Lender and Borrower, or (iii) the Note. If the non-interest portions of the aforementioned obligations are paid in full, such excess amount shall be refunded to the Borrower.

**IN WITNESS WHEREOF**, the parties have executed this Security Agreement and affixed their signatures on the date first above written.

**LENDER:** PrinVest Financial Corp.

By:

  
\_\_\_\_\_  
Officer's Signature

6-23-99  
\_\_\_\_\_  
Date

**BORROWER: Xavier Chemical Company**

By: 

June 23, 1999  
Date

Its: President

**Borrower's above signature must be notarized.**

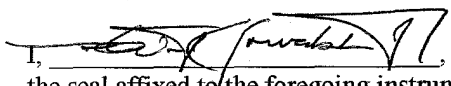
STATE OF GEORGIA, COUNTY OF FULTON

Borrower's Acceptance And Agreement Sworn To And Subscribed Before Me This 23d day of June, 1999.

My Commission Expires: May 2, 2003

  
Notary Public/Justice of the Peace

Theodore J. Kowalski, Jr.

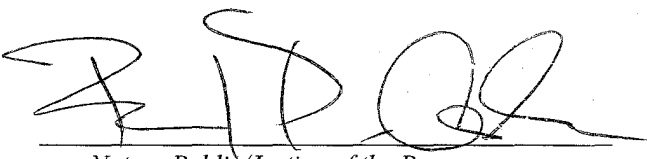
I, , certify that I am the President of Xavier Chemical Company, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that the instrument was signed and sealed on behalf of the corporation by authority of its Board of Directors, and that I acknowledge that the execution of the foregoing instrument was the free act and deed of the corporation. I further declare under penalty of perjury that the foregoing is true and correct. Executed on This 23<sup>rd</sup> day of June, 1999.

  
(Name)

STATE OF GEORGIA, COUNTY OF FULTON

On this 23d day of June, 1999 before me personally appeared Theodore J. Kowalski, Jr., me personally known, who being by me duly sworn, says that (s)he is the President of Xavier Chemical Company, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

SEAL:

  
Notary Public/Justice of the Peace  
My Commission Expires May 2, 2003

JUN-24-1999 15:31

ORION

770 321 9949 P.15/23

SCHEDULE 1  
The Railcars

Forty-seven (47) 13,500 Gallon Capacity Railroad Tank Cars bearing TILX Reporting Marks and Numbers:

135170	135233
135172	135234
135173	135237
135174	135240
135175	135241
135178	135244
135179	135251
135180	135255
135184	135256
135185	135281
135186	135283
135190	135284
135192	
135198	
135197	
135201	
135203	
135205	
135207	
135209	
135210	
135212	
135213	
135214	
135215	
135217	
135220	
135221	
135222	
135225	
135227	
135228	
135230	
135231	
135232	

JUN-24-1999 15:31

ORION

770 321 9949 P.16/23

**SCHEDULE 2****Railcars On-Hand or En Route to Repair Facilities**

<b><u>Car Number</u></b>	<b><u>Facility</u></b>	<b><u>Date Received</u></b>	<b><u>Scheduled Completion Date</u></b>
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(none)